

## **THE IMPACT OF GRANT SUPPORT FROM THE EUROPEAN UNION FOR THE DEVELOPMENT OF SMALL BUSINESS IN UKRAINE**

Small business in Europe is the basis of socio-economic development of the EU. Small and medium enterprises can play a key role in economic growth and job creation, because they quickly respond to the opportunities created by the market.

Small business in Europe stimulates the development of competition, "forcing" major companies implement new technologies and improve production efficiency, the efficiency of the whole of the EU economy depends on the success of small and medium-sized businesses[1].

The importance of supporting small and medium business in the world is not disputed. According to the UN, in the global economy SMEs are employers of more than 50% of the working population all over the world. The volume of production in the SME sector in different countries ranges from 33 to 67% of GDP. In terms of periodic crises and restructuring of the economy and in the process of transition to a postindustrial development is the decline of production in traditional industries with continuous reduction of employment. In these cases, pronounced one of the most important features of SMEs – the ability to quickly generate new jobs, which greatly weakens the social tensions in depressed areas [6].

A simple comparison of the level of SME development in various countries shows that Ukraine still has a long way in restructuring its economy to transition from a large-and largely still monopolising production to a harmonious combination of large, medium and small enterprises. All over the world have realized the importance of supporting SMEs and the Ukraine will soon have to give the issue of SME development a priority.

Ukraine has become more spread European programs to support small and medium businesses.

The program Horizon 2020 is open to small and medium enterprises (SMEs) to participate in the entire program. They can participate in joint research and innovation actions (RIA, IA) as one of the partners of the consortium. In addition, there is a dedicated SME Instrument for SMEs the development of blini especially for innovative small and medium-sized enterprises.

In General, the goal is that 20% of the total budget, which is foreseen to Finance projects on topics of societal challenges and advanced technology has done for small and medium enterprises. In General, during Horizon 2020 for specific SME Instrument will be allocated at least 3 billion euros.

Despite the fact that already there was a strong emphasis on the involvement of small and medium business in earlier framework programmes, is special attention to small and medium enterprises now has a new dimension, where mostly for introducing new products and services to market.

Competiveness of Small and Medium Enterprises (COSME) European program of support to small and medium businesses.

COSME is a set of thematic projects and programmes for the period from 2014 to 2020 with a total budget of 2.3 billion euros. A list of programs that are defined by the European Commission changes every year. Available for Ukraine Program, which was for 2016 consisted of 25 sub-programmes, which were classified in three areas:

- facilitating access to foreign markets;
- improving conditions for competitiveness;
- formation of the business culture.

Among these programmes: enterprise Europe network EEN, Erasmus for young entrepreneurs, Internationalization of SME clusters, tourism Development, Facilitate access to public procurement and many others [2].

In 2011 Ukraine joined the Enterprise Europe Network (EEN) under Article 21.5 of the Competitiveness and Innovation Programme by creation of EEN-Ukraine consortium, which included representatives of business and government, as well as scientific organisations [3].

European Enterprise network (EEN) is the largest sub-programme COSME - enterprise Europe network.

The EEN network was created in 2008 and works with the support of the COSME project. The EEN consortium has committed to maximally inform about the possibilities of the programme COSME, HORIZON 2020 and other programmes and projects EU financial support available for Ukraine [3].

One of the obstacles to the development of Ukrainian business – lack of investment. "Made in Ukraine – 2020": new grant program for Ukrainian entrepreneurs. This grant program – evidence of a new trend of mutual support among Ukrainian business [3].

There are a number of organizations that provide grants for business development in Ukraine. Particularly active role in providing grants to international organizations provide, such as the UN, UNESCO, YUSAID EU, Swiss Agency for Development and Cooperation (SDC), WNISEF, CIPE (Center for International Private Enterprise), the Global Fund Innovation (GIF), Global Technology Fund, IREX (international research and exchanges).

In Ukraine there are several programs of the European Bank for reconstruction and development. At the expense of the EBRD funds will support the business in 15 regions of Ukraine. This is one of the initiatives EU4Business. She recently started. For this and other components EU4Business are going to spend 40 million euros [4].

The EBRD also work programs of direct financing of a free trade zone with the EU. The project will last until 2024. Has a budget of EUR 10 million for grants and 60 million euros for investment. Another 4.8 million euros and 43 million euros of investment are willing to Finance to women entrepreneurs.

Another interesting source of grant for a business idea can become programs and competitions business initiatives of Transnational corporations. After all, giants such as Coca Cola, Nike, Dupont, Shell and others in the framework of the policy of global integration of their business activities systematically hold contests in the world. I think the representatives of the agricultural business in Ukraine also heard of Monsanto and Kurnell [5].

In the selection of participants of the program of support of small business in different cases have different criteria. If the funding allocates foreign Fund, then it is important full the proper use of funds according to the approved business project, adherence to budget and time. Therefore, as a rule, foreign sponsors are more willing to invest in businesses that have

previously received grants. The state in its functions it is important to ensure employment and social protection of the population. So every year local authorities determine priorities for the region areas of management. In the development of these industries are interested in the state and, therefore, entrepreneurs who have chosen the corresponding direction, to obtain a grant will be easier. And if foreigners prefer to give money to the experienced "players", the state shall give preference to newcomers who need sure start: graduates and the unemployed, those who were laid off, single mothers, disabled people, retired military or IDPs (internally displaced persons).

An important focus of economic reforms in Ukraine will create favorable conditions for small and medium businesses, which are one of the most effective means of addressing the priority socio-economic problems. These include: provision of market saturation with goods and services; creating competitive environment; substantial replenishment of local budgets; creation of additional jobs; the solution to the question of employment in crisis regions; improving the General investment climate; ensuring the effective use of local raw materials [7].

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Кубарева А.І.

Студентка магістерської програми,

#### НАУКМА ВПЛИВ АГЛОМЕРАЦІЙ НА ЕКОНОМІЧНЕ ЗРОСТАННЯ РЕГІОНІВ УКРАЇНИ

Сьогоднішня економічна ситуація в Україні за рейтингом видавництва Bloomberg є однією з найгірших в світі, що підтверджується значним падінням ВВП за останні два роки, ростом показника інфляції та безробіття, падінням рівня життя населення. Як показує світовий досвід, одним із способів врегулювання ситуації, яка склалась, може бути впровадження агломераційної політики, яка б дозволила в умовах обмеженості ресурсів значною мірою покращити теперішнє становище. Згідно з положеннями теорії Нової економічної географії, яка була розроблена у 20 ст. Полем Кругманом, між географічною концентрацією виробництва та економічним зростанням існує